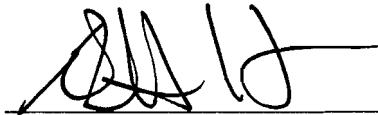


JANUARY 12, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JANUARY 12, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON JANUARY 12, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 9; SURFACE ACTIONS AS LISTED ON PAGES 9 TO 13; DEVELOPMENT ACTIONS AS LISTED ON PAGES 14 TO 15; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 15.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, JANUARY 26, 2009. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.

A handwritten signature in black ink, appearing to read "Kevin S. Carter", written over a horizontal line.

KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

A handwritten signature in black ink, appearing to read "Leslie M. Warner", written over a horizontal line.
LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS
*******MATERIALS PERMIT NO. 412 OVER-THE-COUNTER SAND AND GRAVEL PERMIT (EXPIRATION)**

The above-referenced Materials Permit to mine common sand and gravel was issued to Gregory L. Hunt, 16577 Columbine Lane, Cedaredge, CO 81413. This permit expired December 31, 2008, and should be shown as expired on all Trust Lands Administration records.

AFFECTED LANDS:

Township 29 South, Range 11 East, SLB&M.
Section 2: Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$)

COUNTY: Wayne

ACRES: 39.37 \pm

FUND: SCH

This item was submitted by Mr. Tom Faddies for record-keeping purposes only.

MATERIALS PERMIT NO. 413 OVER-THE-COUNTER SAND AND GRAVEL PERMIT (EXPIRATION)

The above-referenced Materials Permit to mine common sand and gravel was issued to Bill Barrett Corporation, 1099 18th Street, Suite 2300, Denver, CO 80202. This permit expired December 31, 2008, and should be shown as expired on all Trust Lands Administration records.

AFFECTED LANDS:

Township 12 South, Range 15 East, SLB&M.
Section 16: All

COUNTY: Carbon

ACRES: 640.0 \pm

FUND: SCH

This item was submitted by Mr. Tom Faddies for record-keeping purposes only.

MATERIALS PERMIT NO. 278 SAND AND GRAVEL PERMIT (EXPIRATION)

The above-referenced Materials Permit to mine common sand and gravel was issued to Flaming Gorge Pines HOA, 1491 East Pines Loop, Dutch John, UT 84023. This permit expired December 31, 2008, and should be shown as expired on all Trust Lands Administration records.

AFFECTED LANDS:

Township 2 North, Range 22 East, SLB&M.
Section 2: NW $\frac{1}{4}$ NE $\frac{1}{4}$

COUNTY: Daggett

ACRES: 40.0 \pm

FUND: SCH

This item was submitted by Mr. Tom Faddies for record-keeping purposes only.

MATERIALS PERMIT NO. 434 OVER-THE-COUNTER SAND AND GRAVEL PERMIT (APPROVAL)

APPLICANT:

Flaming Gorge Pines HOA
1491 East Pines Loop
Dutch John, UT 84023

AFFECTED LANDS:

Township 2 North, Range 22 East, SLB&M.
Section 2: NW $\frac{1}{4}$ NE $\frac{1}{4}$

COUNTY: Daggett

ACRES: 40.00 \pm

FUND: SCH

PROPOSED ACTION:

Applicant desires to mine common sand and gravel from the subject lands to maintain roads in a cabin development area.

Historically, the subject lands have been heavily mined for sand and gravel. The royalty rate set for this material is \$0.55 per cubic yard, which reflects a 10% increase above the level set for the previous permit issued on the subject lands.

Upon recommendation of Mr. Tom Faddies, the Director approved the issuance of MP 434 for a term of three (3) years.

MATERIALS PERMIT NO. 435 OVER-THE-COUNTER SAND AND GRAVEL PERMIT (APPROVAL)

APPLICANT:

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

AFFECTED LANDS:

Township 12 South, Range 15 East, SLB&M.
Section 16: All

COUNTY: Carbon

ACRES: 640.0 \pm

FUND: SCH

PROPOSED ACTION:

Applicant desires to utilize sand and gravel material from construction of well pads and mud pits to maintain access roads in a natural gas field.

The subject lands have been predesignated by the Director for over-the-counter sand and gravel sales. The royalty rate set for this material is \$0.55 per cubic yard.

Upon recommendation of Mr. Tom Faddies, the Director approved the issuance of MP 435 for a term of one (1) year.

MATERIALS PERMIT SAND AND GRAVEL NO. 431 (APPROVAL)**APPLICANT:**

Nielson Construction
 P.O. Box 620
 825 North Loop Road
 Huntington, UT 84528

AFFECTED LANDS:

Township 15 South, Range 11 East, SLB&M.
 Section 20: N½NE¼

COUNTY: Carbon

ACRES: 80.0±

FUND: SCH

RELEVANT FACTUAL BACKGROUND:

The subject lands are located adjacent to Trust, Federal, and Fee lands that have been exploited for sand and gravel.

These lands have small existing pits and test sites on them. Consultation with the Administration's Staff Archeologist indicates that the proposed pit footprint has been surveyed for cultural resources and no historic properties will be affected by this action. The public notice process did not result in any competing applications for this permit.

EVALUATION OF FACTS:

R850-23-200 states that the Agency may issue materials permits or convey profits a prendre or similar interests on trust lands where the Agency deems it consistent with land use plans and Trust responsibilities. Mining of sand and gravel on these lands is an appropriate use of the lands. The royalty rate set for the materials to be produced from the lands meets the requirements of R850-23-300(2)(b). The permit contains a clause providing for the periodic readjustment and escalation of the royalty rate to meet increases in market rates in the area. The five-year term of the permit is consistent with the requirements of R850-23-400. This action qualifies for an exception to the Administrative Policy of Records of Decision. This action is not considered substantive and does not warrant the time and expense necessary to complete a full narrative record of decision; nor is there any evidence that any interested party might be denied access through an appeal process. This summary shall constitute the record of decision.

Upon recommendation of Mr. Tom Faddies, the Director approved the issuance of Materials Permit No. 431 for a term of five years.

WITHDRAWAL OF MINERAL MATERIALS PERMIT APPLICATIONS (SCH)

The following-described applications were received on December 1, 2008, for issuance of Mineral Materials Permits to harvest sandstone boulders from the surface of the lands. The lands were checked by the Minerals Group and found to be open and available for the issuance of the permits. Subsequent to filing the two applications with the Trust Lands Administration, the applicant contacted; 1) the Bureau of Land Management to discuss right-of-way requirements across federal lands; and, 2) the Division of Oil, Gas & Mining to discuss mining permit requirements. The applicant has determined that the BLM right-of-way and DOGM mining permit requirements will be cost prohibitive for the intended stone harvesting project, and, therefore, has submitted a written request to withdraw the Mineral Materials Permit applications. The withdrawal should be accompanied by a refund of all annual rentals paid with the applications, but a \$100 filing fee paid with each application is forfeited to the Trust.

ML 51567-MP

Doug Strate
 P.O. Box 756
 Tooele, UT 84074

T17S, R11E, SLB&M.

Section 2: Lots 1(49.35), 2(49.37) [N½NE¼]

Emery

98.72 Acres

Rental Refund: \$1150

WITHDRAWAL OF MINERAL MATERIALS PERMIT APPLICATIONS (SCH) (CONTINUED)ML 51568-MP

Doug Strate

P.O. Box 756

Tooele, UT 84074

T16S, R11E, SLB&M.Section 36: S $\frac{1}{2}$ SW $\frac{1}{4}$

Emery

80.00 Acres

Rental Refund: \$800

Upon recommendation of Mr. Blake, the Director approved the application withdrawals and rental refunds.

EXPIRATION OF METALLIFEROUS MINERALS LEASE

The following Metalliferous Minerals Lease has reached the end of the ten (10) year primary term without achieving production and without satisfaction of the diligent development requirement as provided for under Part Four of Article VI of the lease agreement. Therefore, the lease has expired on its own terms at the end of the ten (10) year primary term effective December 31, 2008. The land included under the referenced lease will be offered for lease through the competitive lease offering.

ML 47854

Mark L. Freeman

P.O. Box 385

Aztec, NM 87410

T36S, R25E, SLB&M.Sec. 16: E $\frac{1}{2}$ NE $\frac{1}{4}$

San Juan

80.00 Acres

FUND: SCH

This item was submitted by Mr. Stokes for record-keeping purposes only.

TOTAL ASSIGNMENT – OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Ms. Garrison, the Director approved the assignment of the lease listed below to Wilmington Trust Company, Trustee of the Philip T. Sharples Trust, 1660 Lincoln Street, Suite 3100, Denver, CO 80264, by Samuel Butler, III. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:**SAMUEL BUTLER, III – 100%**

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:**WILMINGTON TRUST COMPANY, TRUSTEE
OF THE PHILIP T. SHARPLES TRUST-100%**

....ML 51400(SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 25% interest in and to the leases listed below to Rover Resources, Inc., 2549 West Main Street, Suite 202, Littleton, CO 80120, by Richard L. Findley, who reserves .625% overriding royalty, in addition to 5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

ROADRUNNER OIL & GAS (USA) INC. - 50%,
 BEACH PETROLEUM LLC - 25%,
RICHARD L. FINLDEY - 25%

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

ROADRUNNER OIL & GAS (USA) INC. – 50%,
 BEACH PETROLEUM LLC - 25%,
ROVER RESOURCES, INC. – 25%

....ML 49673(SCH)....ML 51137(SCH)....ML 51250(SCH)....ML 51251(SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 25% interest in and to the leases listed below to Rover Resources, Inc., 2549 West Main Street, Suite 202, Littleton, CO 80120, by Beach Petroleum LLC, who reserves .625% overriding royalty, in addition to 5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

ROADRUNNER OIL & GAS (USA) INC. - 50%,
BEACH PETROLEUM LLC - 25%,
 ROVER RESOURCES, INC. - 25%

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

ROADRUNNER OIL & GAS (USA) INC. – 50%,
ROVER RESOURCES, INC. – 50%

....ML 49673(SCH)....ML 51137(SCH)....ML 51250(SCH)....ML 51251(SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 12.5% interest in and to the lease listed below to Del-Rio Resources, Inc., P.O. Box 459, Vernal, UT 84078, by SEP-Seep Ridge, LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 100%

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 87.50%,
DEL-RIO RESOURCES, INC. – 12.50%

....ML 47794(SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 12.5% interest in and to the lease listed below to Del-Rio Resources, Inc., P.O. Box 459, Vernal, UT 84078, by SEP-Seep Ridge, LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 62.50%,
BNF VENTURES II, LLC – 22.24%,
CROWN FINANCIAL OIL AND GAS, LLC – 10%,
ELI PUBLISHING, LLC – 5.26%

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 50%,
BNF VENTURES II, LLC – 22.24%,
DEL-RIO RESOURCES, INC. - 12.5%,
CROWN FINANCIAL OIL AND GAS, LLC - 10%,
ELI PUBLISHING, LLC - 5.26%

....ML 49785(SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 12.5% interest in and to the lease listed below to Del-Rio Resources, Inc., P.O. Box 459, Vernal, UT 84078, by SEP-Seep Ridge, LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 90%,
CROWN FINANCIAL OIL AND GAS, LLC – 10%

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

SEP-SEEP RIDGE, LLC – 77.50%,
DEL-RIO RESOURCES, INC. - 12.5%,
CROWN FINANCIAL OIL AND GAS, LLC - 10%

....ML 50803(SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 32.50% interest in operating rights limited to all depths below the stratigraphic equivalent of the Base of the Jurassic Wingate Formation as found in the Joseph Federal #1 Well in SW¼SE¼ of Sec. 24, T25S, R4W, SLB&M., wherein the top of the Jurassic Wingate Formation was found at a depth of 13,700 feet as defined in the Neutron Density Log in and to the leases listed below to Delta Petroleum Corporation, 370-17th Street, Suite 4300, Denver, CO 80202, by Armstrong Resources, LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

WOLVERINE GAS AND OIL CORP. - 50%,
ARMSTRONG RESOURCES, LLC - 42.5%,
 WHITING OIL AND GAS CORPORATION - 7.5%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

WOLVERINE GAS AND OIL CORP. - 50%,
 ARMSTRONG RESOURCES, LLC - 42.5%,
 WHITING OIL AND GAS CORPORATION - 7.5%

***OPERATING RIGHTS: LIMITED TO ALL DEPTHS
 BELOW STRAT EQUIV OF BASE OF JURASSIC
 WINGATE FORMATION AS FOUND IN THE
 JOSEPH FEDERAL #1 WELL IN SW¼SE¼ SEC. 24,
 T25S, R4W, SLB&M., WHEREIN THE TOP OF THE
 JURASSIC WINGATE FORMATION WAS FOUND
 AT A DEPTH OF 13,700' AS DEFINED ON THE
 NEUTRON DENSITY LOG***

WOLVERINE GAS AND OIL CORP. - 50%,
DELTA PETROLEUM CORPORATIO - 32.50%,
ARMSTRONG RESOURCES, LLC - 10%,
 WHITING OIL AND GAS CORPORATION - 7.5%

....ML 49373(SCH: 942.08; MH: 40.00)....ML 49375(SCH: 1123.30; RES: 310.53; NS: 200.00)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 10% interest in operating rights in part of lands: S½NW¼, NW¼SW¼ Sec. 2, T11S, R22E, SLB&M., 120.00 acres, in and to the lease listed below to Forest Oil Corporation, 707 Seventeenth Street, Suite 3600, Denver, CO 80202, by Enduring Resources, LLC. No override, but subject to 7.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ENDURING RESOURCES, LLC - 40%,
 THE HOUSTON EXPLORATION CO. - 40%,
 ROBERT L. BAYLESS JR. - 20%

OPERATING RIGHTS

T11S, R22E, SLB&M. 120.00 ACRES

SEC. 2: S½NW¼, NW¼SW¼

ENDURING RESOURCES, LLC - 60%,
 THE HOUSTON EXPLORATION CO. - 40%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ENDURING RESOURCES, LLC - 40%,
 THE HOUSTON EXPLORATION CO. - 40%,
 ROBERT L. BAYLESS, JR. - 20%

OPERATING RIGHTS

T11S, R22E, SLB&M. 120.00 ACRES

SEC. 2: S½NW¼, NW¼SW¼

ENDURING RESOURCES, LLC - 50%,
 THE HOUSTON EXPLORATION CO. - 40%,
FOREST OIL CORPORATION - 10%

....ML 47075(SCH)....

CLARIFICATION OF DIRECTOR'S MINUTES OF DECEMBER 22, 2008 – ML 48374 – OIL, GAS, AND HYDROCARBON (SCH)

The Director, on December 22, 2008, approved the assignment of 35% interest in operating rights from Surface to Base of Green River Formation in part of lands: S½SW¼, SE¼ Sec. 10; SW¼NW¼, NW¼SW¼ Sec. 11, T6S, R19E, SLB&M., 304.30 acres to Newfield Production Company by Elk Resources, LLC. When the ownership after the assignment was listed, it was listed as *Record Title* when in fact the record title interest remained the same as prior to the assignment and the break-out was for the *operating rights* ownership after assignment. (Interest was reflected correctly pertaining to operating rights interest.)

Upon recommendation of Ms. Garrison, the Director approved the above-listed clarification.

ACCEPTANCE OF LETTER OF CREDIT (ALL)

Summit Operating, LLC, Attn: Jack Simper, Suite 280, 1441 West Ute Blvd., Park City, UT 84098 has submitted a \$15,000 Letter of Credit as surety to cover their oil and gas exploration and development operations on trust lands. Letter of Credit No. NZS633425 was issued through Wells Fargo Bank, NA, Trade Services Division, Northern California, One Front Street, 21st Floor, San Francisco, CA 94111.

Upon recommendation of Mr. Bonner, the Director accepted Letter of Credit No. NZS633425, in the amount of \$15,000, from Summit Operating, LLC.

RELEASE OF STATEWIDE BOND OF LESSEE (ALL)

On September 26, 2003, the Director accepted a \$80,000 State of Utah Statewide Bond of Lessee from The Houston Exploration Company, Bond No. 104155043, with Travelers Casualty and Surety Company of America as surety, Attn: Mary Athanites, P.O. Box 173713, Denver, CO 80217, to cover their statewide oil and gas exploration and development operations. The Houston Exploration Company, Inc. has merged with Forest Oil Corporation. Forest Oil Corporation, Attn: Floyd Clay, Suite 3600, 707 17th Street, Denver, CO 80202, has requested release of Bond No. 104155043 as all oil and gas operations will be covered under their Statewide Bond of Lessee. The Trust Lands Accounting Section has reviewed rental and royalty payments made by The Houston Exploration Company and concur with the requested bond release.

Upon recommendation of Mr. Bonner, the Director released Bond No. 104155043.

NAME CHANGE RIDER FOR INDIVIDUAL WELL BOND ML 47799 (SCH)

On November 9, 2007, the Director accepted a State of Utah Individual Well Bond of Lessee in the amount of \$5000, Bond No. RLB0010884, from Jake Oil of Utah, LLC, with RLI Insurance Company, Suite 400, 8 Greenway Plaza, Houston, TX 77046, as surety for the CBM-State 22-14 (API 43 007 31299) Well under State of Utah Oil, Gas, and Hydrocarbon Lease ML 47799. Subsequently, Jake Oil of Utah, LLC has changed their name to Patmos Energy, LLC, P.O. Box 7430, Spanish Fort, AL 36577, and submitted a rider changing the principal's name and address on Bond No. RLB0010884.

Upon recommendation of Mr. Bonner, the Director accepted the name change rider for Bond No. RLB0010884.

RELEASE OF \$5,000 CASH DEPOSIT – OIL, GAS & HYDROCARBON LEASE ML 40761 (SCH)

On May 11, 2007, the Trust Lands Administration accepted a \$5000 cash deposit (Receipt NO. SLO 47757) from Rampart Energy Fund LLC, c/o Babcock & Brown Energy, Inc., Suite 550, 1512 Larimer Street, Denver, CO 80202, as surety for the Cane Creek #2-1 Well (API 43 019 31396) under State of Utah Oil, Gas, and Hydrocarbon Lease ML 40761. Rampart Energy Fund LLC has requested release of this cash deposit as this lease and well has been assigned to Fidelity Exploration & Production Company, who has statewide bonding in place.

Upon recommendation of Mr. Bonner, the Director released the \$5000 cash deposit to Rampart Energy Fund LLC.

APPROVAL OF THE SKYLINE II UNIT (SCH)

Liberty Pioneer Energy Source, Operator of the Skyline II Unit, has furnished the State of Utah School and Institutional Trust Lands Administration Office with evidence that the unit was approved by the Bureau of Land Management on December 15, 2008, with the same effective date.

The following lease should be noted as being committed to the Skyline II Unit with all formations unitized:

| <u>LEASE #</u> | <u>LESSEE</u> |
|-----------------------|----------------------|
| ML 48958 | Fortuna (US) L.P. |

This item was submitted by Ms. Wells for record-keeping purposes only.

S U R F A C E A C T I O N S

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5273 (APPROVAL)**

On December 29, 2008, the School and Institutional Trust Lands Administration received an application from Escape Adventures, Inc., dba Moab Cyclery, 8221 West Charleston Blvd., #101, Las Vegas, NV 89117, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits that grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, to conduct commercial bicycle tours for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. The permittee shall also pay to the Trust Lands Administration the sum of 3% of gross receipts, based on number of clients, number of client days, and percentage of time spent on trust land, within 30 days of permit expiration date. Beginning date: January 1, 2009. Expiration date: December 31, 2009. Funding: School = 96.66%, USU = 0.83%, Deaf = 0.16%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = <0.01%, SYDC = <0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5273 for a one-year term.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 989 (THREE-YEAR REVIEW)**

SULA 989 is leased to Charles W. Lund, P.O. Box 216, Gunnison, UT 84634. This is an agricultural lease in Sanpete County. School Fund.

1. **ANNUAL RENTAL:**

The three-year review date for this lease is March 1, 2009. The subject property is used for an irrigation pond and pipeline. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$520.00 per year to \$576.00 per year, effective March 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$576.00

Acres in lease: 19.84

Rental per acre: \$29.03

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is not presently required by the lease agreement. The lessee has provided proof of insurance as required by the lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. A bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **NEXT ASSESSMENT DATE:**

The next assessment date will be March 1, 2012.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the three-year review for SULA 989.

SPECIAL USE LEASE AGREEMENT NO. 990 (THREE-YEAR REVIEW)

SULA 990 is leased to Lund Ranch, P.O. Box 730, Gunnison, UT 84634. This is an agricultural lease in Sanpete County. USU Fund.

1. **ANNUAL RENTAL:**

The three-year review date for this lease is March 1, 2009. The subject property is used for an irrigation pond and pipeline. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$520.00 per year to \$576.00 per year, effective March 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$576.00

Acres in lease: 20.00

Rental per acre: \$28.80

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is not presently required by the lease agreement. The lessee has provided proof of insurance as required by the lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. A bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **NEXT ASSESSMENT DATE:**

The next assessment date will be on March 1, 2012.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the three-year review for SULA 990.

SPECIAL USE LEASE AGREEMENT NO. 991 (THREE-YEAR REVIEW)

SULA 991 is a telecommunications lease in Rich County, issued to RSA 673 Cellular, Inc., c/o AT&T Network Real Estate Administration, 5404 Windward Parkway, P.O. Box 1630, Alpharetta, GA 30009. School Fund.

1. **ANNUAL BASE RENTAL:**

The three-year lease rental review date for this telecommunication lease is February 1, 2009. The subject property is used for a cellular telephone & data transmission tower and facility on the Bear Lake site. The lease agreement provides for periodic increases in the annual base rental amount. Pursuant to the use of the Consumer Price Index inflationary adjustment, it is recommended that the annual base rental be increased from \$6,000.00 per year to \$6,520.00 per year, effective February 1, 2009. A certified notice was sent to inform the lessee of this action. No response has been received.

Subleasing: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. There is no known subleasing on the site.

Preliminary Estimate of Land Value: \$60.00 (Based on \$1,000.00 per acre)

New Annual Base Rental Amount: \$6,520.00

Acres in Lease: 0.06

Rental Amount / Acre: \$108,666.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Updated insurance coverage is being reviewed and requested by staff. The lease provides for a bond, but there is not one in place. Staff is currently pursuing a bond for the site from the lessee.

4. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

5. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

6. **NEXT REVIEW DATE:**

The next review date will be February 1, 2012.

Upon recommendation of Mr. Gary Bagley, the Director approved the three-year review for SULA 991.

SPECIAL USE LEASE AGREEMENT NO. 1413 (FIVE-YEAR REVIEW)

SULA 1413 is a telecommunications lease in Sevier County, issued to Nextel West Corporation, c/o Sprint Nextel Real Estate, Mailstop KSOPHT0101-Z2650, 6391 Sprint Parkway, Overland Park, Kansas 66251-2650. School Fund.

1. **ANNUAL BASE RENTAL:**

The five-year lease rental review date for this telecommunication lease is February 1, 2009. The subject property is used for a cellular telephone/data tower and facility on the Salina site. The lease agreement provides for periodic increases in the annual base rental amount. The terms of the lease allow only use of the CPI for the first five-year adjustment. Pursuant to the use of the Consumer Price Index inflationary adjustment, it is recommended that the annual base rental be increased from \$4,700.00 per year to \$5,410.00 per year, effective February 1, 2009. A certified notice was sent to inform the lessee of this action. No response was received.

During the next review (due on February 1, 2014), staff will be allowed to use market comparables or an appraisal to determine the increased annual base rental, but for this review only CPI is allowed as per terms of the lease agreement.

Subleasing: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. There is no known subleasing occurring on the site.

Preliminary Estimate of Land Value: \$3,510.00 (Based on \$3,000.00 per acre)

New Annual Base Rental Amount: \$5,410.00

Acres in Lease: 1.17 acres

Rental Amount / Acre: \$4,624.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Staff is currently updating the insurance coverage. The lease provides for a bond, but no bond is in place. Staff is currently pursuing a bond for the site from the lessee.

4. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

5. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

6. **NEXT REVIEW DATE:**

The next review date will be February 1, 2014.

Upon recommendation of Mr. Gary Bagley, the Director approved the five-year review for SULA 1413.

DEVELOPMENT ACTIONS

**AMENDMENT OF DEVELOPMENT LEASE AGREEMENT - DEVL 2 – URANIUM ONE UTAH, INC., -
TERMINATION OF LEASE AGREEMENTS DEVL 2 A THROUGH G**

AGREEMENT NO.: DEVL 2
 PROJECT: Ticaboo
 PROJECT MANAGER: Douglas O. Buchi
 PROJECT CODE: TCABO 000 00
 FUND: School
 COUNTY: Garfield
 EFFECTIVE DATE: September 1, 2008
 NEW LEASE TERM: 20 years plus option to extend
 RENT: \$5,000 residential rent per year
 \$20,000 commercial rent per year (credited to percentage rent)
 2% percentage rent on commercial uses, increasing to 3% at ¼% per year
 LOT PAYMENT: 20% of Lot value

LESSEE:

URANIUM ONE UTAH, INC.
 3801 Automation Way, Suite 100
 Ft. Collins, CO 80525

DESCRIPTION OF TRANSACTION:

This lease was entered into in the late seventies and conceived as a master lease with a separate spin off lease for each new use. Seven spin off leases (DEVL 2A – 2G) have been entered into in addition to the master leases, and all agreements have been amended several times. The entire development agreement has been consolidated into one Amended and Restated Development Lease No. DEVL 2 and the agreements DEVL 2A through 2G have been terminated.

LEGAL DESCRIPTION:

Township 16 South, Range 11 East, SLB&M
 Section 16: All, except conveyed parcels (currently 591.81 acres)

TOTAL NUMBER OF ACRES BY COUNTY: 591.81 acres - Garfield County

TOTAL NUMBER OF ACRES BY FUND: 591.81 acres - School

Upon recommendation of Douglas O. Buchi, the Director approved this agreement.

EASEMENT AGREEMENT (PRED 743)

THE FOLLOWING EASEMENT WAS RESERVED TO THE TRUST LANDS ADMINISTRATION IN C26348:

PROJECT: Sienna Hills
PROJECT MANAGER: Aaron Langston
PROJECT CODE: MPI13 001 00 011 000
FUND: School
COUNTY: Washington
EASEMENT RESERVED IN: Patent No. 19901
DATE OF PATENT: June 8, 2006

GRANTOR:

SIENNA HEIGHTS, LLC
90 South 400 West, Suite 300
Salt Lake City, Utah 84101

LEGAL DESCRIPTION:

Township 42 South, Range 15 West, SLB&M
Section 13: Within, as follows:

Sienna Hills Parcel 11B – Entry Easement: Beginning at a point which is South 00°54'18" West 819.10 feet along the Center Section line and North 90°00'00" East 342.15 feet from the South Quarter Corner of Section 12, Township 42 South, Range 15 West, Salt Lake Base and Meridian, said point also being on Washington Parkway Right-of-Way; running thence South 88°58'52" East 17.15 feet; thence South 01°01'08" West 45.32 feet; thence South 88°58'52" East 112.97 feet; thence South 01°01'08" West 83.00 feet; thence South 88°58'52" East 8.00 feet; thence South 01°01'08" West 3.03 feet; thence South 88°58'52" East 12.50 feet; thence South 01°01'08" West 6.48 feet to the Right-of-Way of Ridge View Drive; thence along said Right of-Way North 88°58'57" West 25.62 feet to the point on the said Washington Parkway Right-of-Way, thence along said Right-of-Way for the two (2) courses: Said point being a point of curvature of a 25.00 foot radius curve concave to the right; thence Northwesterly 39.27 feet along the arc of said curve through a central angle of 90°00'00" to the point of tangency; thence North 01°01'08" 37.83 feet to the point of beginning.

Contains 0.03 acres, more or less.

DESCRIPTION OF TRANSACTION:

This easement was reserved to the Trust Lands Administration to construct and maintain an entry monument for the purpose of identifying the entrance and name of the subdivision, which is Sienna Hills - Ridge View Drive.

Upon recommendation of Aaron Langston, the Director accepted Easement No. PRED 743.

ACTIONS CONTAINING FEE WAIVERS

NONE